

**PMD Recommendation to the CIO  
for  
Major Project Development Approval**

**Agency:** Department of Motor Vehicles (DMV)

**Project Title:** Driver's License Central Issuance (DLCI)

**Planned Start Date:** May, 2008

**Planned Completion Date:** July, 2009

**Estimated Total Project Cost:** \$5,391,875    **Estimated Operations Cost (5 years):** \$37,877,500

**Project Purpose:** The Driver's License Central Issuance Project will deliver a state-of-the-art driver's license identification (DL/ID) system solution with a single production and issuance facility to replace the current DL/ID issuance process which occurs at all 74 Customer Service Centers (CSC). The proposed solution will eliminate all production of DL/IDs at DMV offices and headquarters, and improve the security, integrity and quality of the DL/ID card itself, by producing American Association of Motor Vehicle Administrators (AAMVA) compliant DL/ID cards. Additionally, DMV will adopt enhanced procedures and technology at the CSCs to greatly improve the security and validity of the DL/ID application process, which, combined with a secure production process that limits and controls access to materials, equipment, processes and information, will effectively position DMV to meet future Federal Real ID requirements.

The project includes new processes and tools at each CSC to capture facial images and strengthen identification ("breeder") document validation. The DLCI vendor, Canadian Bank Note Secure Technologies, Inc. (CBN) is building a secure card production facility near Danville, VA as the sole DL/ID production facility. CBN facial recognition (FR) software and hardware will be located at an upgraded technology center at DMV Headquarters, as will a large central image (CISS) database.

**Enterprise Architecture Implications:** The proposed solution is compliant with enterprise architecture standards.

**Expected Project Results:**

The project will deliver a system and process that will:

- Improve Virginia Residents Privacy & Security
  - Improve security of the current DL/ID process
  - Improve fraud detection at CSC staff level
  - Utilize technology to prevent identity theft or assumption
  - Provide useful evidence and tools for law enforcement investigations
- Improve Auditing and Accountability
  - Increase application security
  - Increase physical security
- Introduce card designs in which tampering will be readily evident and easily identifiable

**Financial Benefits:** The new system will provide approximately \$900,000 of yearly benefits, stemming mostly from the cost avoidance of not having to pay maintenance with the current DL/ID vendor. However, the project will result in a net increase in DL/ID yearly cost of approximately \$5.5M per year over the current solution. The five- and ten-year ROI figures are both -89%.

**Anticipated Performance Measures:**

- Full DLCI implementation at all 74 CSCs no later than June 2009.
- Minimized potential for customer and employee fraud.

- Reduced use of false addresses by applicants.
- DMV will be positioned to meet future Federal Real ID requirements.
- Investigators will be able to detect fraudulent driver licenses by use of new card tactile features.
- CBN Danville facility will mail DL/ID cards within three days of batch upload.

**Preliminary Risk Analysis:** High Risk - The overall project risk level stems from a) a very aggressive and inflexible timeline, exacerbated by a late engagement of VITA by DMV; b) a large, dispersed project team; c) the politically sensitive nature of the project; and d) the mission-critical function that is being replaced. To insure Commonwealth success in the face of significant project initiation obstacles, risk management must be given continuous emphasis by all members of the project team and the supporting IV&V consultant.

**Balanced Scorecard Evaluation Summary:**

Criteria	Summary	Score
Stakeholder Perspective	The proposed project anticipates intangible benefits for DMV in the form of reduced fraud and theft; however, the yellow assessment is due to a negative ROI, based on significantly higher costs for the agency, and possibly for citizens.	Yellow
Business Process Perspective	This is a mission-critical, high-complexity, high-risk project. Even though DMV put itself into a bind regarding the overly-aggressive schedule and excluding VITA from involvement at an earlier stage, the project clearly is central to the Commonwealth's fulfillment of the Real ID federal mandate.	Yellow
Project Management Perspective	In mid-July 2008, DMV brought on a 100% dedicated IT PM to control a large, complex team while the team is still forming and the project is fully underway. From its inception, the project has no schedule float, and a large amount of coordinated work must be done with at least three distinct organizations. VITA is providing a single point of contact and is under much pressure to deliver on time and on spec. From a project management perspective, DLCI is high risk.	Yellow
Financial and Economic Perspective	Negative ROI claimed. DLCI will cost the Commonwealth significantly more than the current vendor; however, DMV will be getting a superior product and adding another layer of security for the Commonwealth. Current cost estimates claim 80% accuracy, but the aggressive timeline makes budget accuracy less critical for project development approval.	Yellow
Enterprise Portfolio Perspective	This is a high-risk project for inclusion in the Commonwealth IT portfolio. The deadline imposed on the project has driven DMV and VITA to compromises that would not normally be tolerated, regarding project scope, schedule and budget, as well as certain elements of the technical solution. It is only the mission-critical nature of the project deliverables - more secure driver's licenses - that has caused DMV and VITA to move forward with the project while allowing the project initiation paperwork eventually catch up. The late, convoluted launch of this project is a handicap that the Commonwealth must overcome in order to achieve success with DLCI.	Yellow

**Transportation Oversight Committee Recommendation:** The Transportation Secretariat Oversight Committee has reviewed and recommends the project for development approval.

## CHIEF INFORMATION OFFICER ACTION

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*Signature*

Date \_\_\_\_\_

8/4/08